

Message Text

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17

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 L-03 H-02 NSC-05

SS-15 STR-04 CEA-01 PA-01 PRS-01 /097 W

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R 070707Z JAN 76

FM AMEMBASSY AMMAN

TO SECSTATE WASHDC 6559

INFO AMEMBASSY ABU DHABI

AMEMBASSY ATHENS

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MANAMA

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E.O. 11652: N/A

TAGS: EFIN, JO

SUBJECT: CURRENT GOJ ATTITUDE ON FOREIGN BANK OPERATIONS IN
JORDAN

1. IN DECEMBER 30 DISCUSSION WITH AMBASSADOR, DR SAID AN-NABULSI, CENTRAL BANK GOVERNOR, OUTLINED CURRENT GOJ POLICY TOWARDS OPERATIONS OF FOREIGN BANKS IN JORDAN. IN CATEGORY OF FOREIGN BANKING ACTIVITIES JORDANIAN AUTHORITIES WOULD WELCOME, HE PLACED REPRESENTATIVE OFFICES, MERCHANT BANKS, BRANCHES OF COMMERCIAL BANKS OF ARAB COUNTRIES WHICH OFFER JORDANIAN BANKS RECIPROCAL PRIVILEGES, AND JOINT VENTURE COMMERCIAL BANKS IN WHICH JORDANIAN PARTICIPATION IS AT LEAST 60 PERCENT. GOJ WILL
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ALSO ALLOW OPENING OF FOREIGN COMMERCIAL BANK BRANCHES OFFICES

IN SPECIAL CASES OF "JORDANIAN NATIONAL INTEREST." AS AN
EXAMPLE IN THIS CATEGORY, NABULSI MENTIONED FNCB BRANCH AND
(SOON TO BE OPENED) CHASE MANHATTAN BRANCH, BOTH JUSTIFIED ON
BASIS OF RELATIVELY HIGH (AROUND 11 PERCENT OF ANNUAL TOTAL) IM-
PORTS INTO JORDAN FROM US AND CLOSE ECONOMIC AND POLITICAL TIES TO
.S. NABULSI BELIEVES THAT COMMERCIAL BANKS NOW OPERATING IN
JORDAN ARE ADEQUATE TO MEET DOMESTIC NEEDS, AND IN GENERAL DOES
NOT BELIEVE THAT ADDITIONAL FOREIGN COMMERCIAL BANKS BRANCHES WOULD
PROVIDE SERVICES NOT ALREADY AVAILABLE.

2. NABULSI IS CONSIDERING FURTHER RELAXATION OF FOREIGN EXCHANGE
CONTROLS IF JORDANIAN DINAR REMAINS FIRM AND FOREIGN EXCHANGE RE-
SERVE LEVEL REMAINS HIGH. HE INTENDS TO MOVE TOWARDS FREE CON-
VERTIBILITY OF DINAR IF CONDITIONS ALLOW, BUT IN ANY CASE CENTRAL
BANK WOULD RETAIN AUTHORITY TO RE-IMPOSE CONTROLS IF NECESSARY.
SUDDARTH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, FOREIGN INVESTMENTS, BANKS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976AMMAN00069
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760004-1289
From: AMMAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760181/aaaactzm.tel
Line Count: 77
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 28 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 APR 2004 by woolfhd>; APPROVED <06 MAY 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CURRENT GOJ ATTITUDE ON FOREIGN BANK OPERATIONS IN JORDAN
TAGS: EFIN, JO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006